

February 28, 1956

Mr. R. E. Logan  
Regional Tax Commissioner  
The A. T. & S. F. Ry. Co.  
Amarillo, Texas

Dear Mr. Logan:

Attached is Producer's Monthly Report for the month of January 1956, covered by our Voucher No. A-1367 dated February 28, 1956. Copies of report and voucher are enclosed for your further handling.

Following our conversation over telephone yesterday, I reread the revised administrative ruling issued by the New Mexico Bureau of Revenue Severance Tax Division and I agree with you that we cannot deduct the cost of loading, crushing and haulage expense to the blending piles, nor can we deduct the exemption of \$200,000 which we have been subtracting at the rate of \$15,555.56 a month after the first of March, 1956.

The deductions I have mentioned above have been subtracted in arriving at the amount due for severance tax in January and we shall adopt the same procedure in February .

I have discussed the revision of severance tax regulations with Mr. Holmberg, auditor of The Anaconda Company, to learn from him what he plans to do in this matter. Mr. Holmberg informs me that a copy of the revised rules has been submitted to their legal department for an opinion. It is their contention that the revised administrative rulings are not constitutional.

Mr. R. E. Logan  
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Mr. Holmberg has promised to keep me informed concerning this matter and when I have something definite on the subject, I shall write you again.

Yours truly,

T. O. Evans  
Chief Mining Engineer

Encls.

TOE-c

cc: Messrs. Rydin  
Willingham  
Blair  
McClelland

NEW MEXICO BUREAU OF REVENUE  
SEVERANCE TAX DIVISION  
Santa Fe, New Mexico

PRODUCER'S MONTHLY REPORT

For period beginning January 1, 1956 Ending January 31, 1956

SV1017  
HAYSTACK MOUNTAIN DEVELOPMENT CO.  
P.O. BOX 1203  
PREWITT, NEW MEXICO  
URANIUM

GROSS VALUE

Tons Value

\_\_\_\_\_ \$ \_\_\_\_\_  
Differentials:  
Loading \_\_\_\_\_ \$ \_\_\_\_\_  
Ore Delivery to Mill \_\_\_\_\_ \$ \_\_\_\_\_  
Milling \_\_\_\_\_ \$ \_\_\_\_\_  
Freight to Market \_\_\_\_\_ \$ \_\_\_\_\_  
Total Differentials \_\_\_\_\_ \$ \_\_\_\_\_

Deductions:

Federal Royalty \_\_\_\_\_ \$ \_\_\_\_\_  
State Royalty \_\_\_\_\_ \$ \_\_\_\_\_  
Taxable Value of Product Severed \_\_\_\_\_ \$ 110,324.81  
Severance Tax based on 1/8 of 1% (.00125) value of  
product severed per check herewith \_\_\_\_\_ \$ 137.91

I hereby certify that the information contained in this report,  
is to the best of my knowledge and belief, true and correct.

*T. P. Evans*

CHIEF MINING ENGINEER  
Title

Sworn and Subscribed to before me this 28th day of February 1956

My Commission Expires

November 28, 1956

cc: Mr. W. E. Willingham  
cc: Mr. R. E. Logan

*Oliver E. Chcraft*  
Notary Public